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# FEE TRANSMITTAL for FY 2005

Applicant claims small entity status. See 37 CFR 1.27

**TOTAL AMOUNT OF PAYMENT** **(\$)** 250

### Complete if Known

Application Number	09/879,825
Filing Date	June 12, 2001
First Named Inventor	CRAIG W. BARNETT
Examiner Name	Arthur D. Duran
Art Unit	3622
Attorney Docket No.	031792-0311564

### METHOD OF PAYMENT (check all that apply)

Check  Credit Card  Money Order  None  Other (please identify): \_\_\_\_\_

Deposit Account **033975** Deposit Account Name: **PILLSBURY WINTHROP LLP**  
 Number:

For the above-identified deposit account, the Director is hereby authorized to: (check all that apply)

Charge fee(s) indicated below  Charge fee(s) indicated below, except for the filing fee

Charge any additional fee(s) or underpayment of fees(s)  Credit any overpayments  
 under 37 CFR 1.16 and 1.17

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### FEE CALCULATION

#### 1. BASIC FILING, SEARCH, AND EXAMINATION FEES

Application Type	FILING FEES		SEARCH FEES		EXAMINATION FEES		Fee Paid (\$)
	Fee (\$)	Small Entity Fee (\$)	Fee (\$)	Small Entity Fee (\$)	Fee (\$)	Small Entity Fee (\$)	
Utility	300	150	500	250	200	150	_____
Design	200	100	100	50	130	65	_____
Plant	200	100	300	150	160	80	_____
Reissue	300	150	500	250	600	300	_____
Provisional	200	100	0	0	0	0	_____

#### 2. EXCESS CLAIM FEES

##### Fee Description

Each claim over 20 or, for Reissues, each claim over 20 and more than in the original patent

Each independent claim over 3 or, for Reissues, each independent claim more than in the original patent

Multiple dependent claims

**Small Entity**

Fee (\$)	Fee (\$)
50	25
200	100
360	180

**Total Claims** - 20 or HP = **Extra Claims** **X** **Fee (\$)** = **Fee Paid (\$)**

HP = highest number of total claims paid for, if greater than 20

**Indep. Claims** **Extra Claims** **X** **Fee (\$)** = **Fee Paid (\$)**

- 3 or HP = **Extra Claims** **X** **Fee (\$)** = **Fee Paid (\$)**

HP = highest number of independent claims paid for, if greater than 3

##### Multiple Dependent Claims

**Fee (\$)** **Fee Paid (\$)**

#### 3. APPLICATION SIZE FEE

If the specification and drawings exceed 100 sheets of paper, the application size fee due is \$250 (\$125 for small entity)

for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).

**Total Sheets** - 100 = **Extra Sheets** /50= **Number of each additional 50 or fraction thereof** x **Fee (\$)** = **Fee Paid (\$)**

#### 4. OTHER FEE(S)

Non-English Specification, 130 fee (no small entity discount)

Other: Brief in Support of Appeal **250.00**

### SUBMITTED BY

Signature		Registration No. (Attorney/Agent)	47,429	Telephone	703.905.2141
Name (Print/Type)	Bradford C. Blaise			Date	February 10, 2005

This collection of information is required by 37 CFR 1.136. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 30 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

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U.S. Application Serial No. 09/879,825  
Attorney Docket No. 031792-0311564 (24122-303-409)

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

O P E  
FEB 10 2005

IN RE PATENT APPLICATION OF: Craig W. BARNETT *et al.*  
SERIAL NO.: 09/879,825  
ATTORNEY DOCKET NO.: 031792-0311564 (24122-303-409)  
FILING DATE: June 12, 2001  
ART UNIT: 3622  
EXAMINER: A. DURAN  
FOR: METHOD AND SYSTEM FOR ELECTRONIC DISTRIBUTION  
OF PRODUCT REDEMPTION COUPONS

**APPELLANTS' BRIEF ON APPEAL UNDER 37 C.F.R. §41.37**

**Mail Stop Appeal Brief - Patents**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

Further to the Notice of Appeal filed on **August 10, 2004**, Appellants respectfully submit Appellants' Brief on Appeal pursuant to 37 C.F.R. §41.37.

Appellants have filed concurrently herewith a petition for a four-month extension of time. 37 C.F.R. §1.17(a)(4). The Director is authorized to charge \$1045.00 to cover the \$795.00 petition fee, as well as the \$250.00 small entity fee for filing an Appeal Brief pursuant to 37 C.F.R. §41.20(b)(2). The Director is further authorized to charge any additional fees that may be due, or credit any overpayment of same to Deposit Account No. 033975 (Ref. No. 031792-0311564).

02/11/2005 SDENB0B1 00000064 033975 09879825  
01 FC:2402 250.00 DA

**REQUIREMENTS OF 37 C.F.R. §41.37**

**I. REAL PARTY IN INTEREST - 37 C.F.R. §41.37(c)(1)(i)**

The real parties in interest are Black Diamond CCT Holdings, LLC., and Ecentives, Inc.

**II. RELATED APPEALS AND INTERFERENCES - 37 C.F.R. §41.37(c)(1)(ii)**

**A. Judicial Proceedings – U.S. Patent Nos. 6,321,208 and 6,336,099**

This application is a continuation of U.S. Patent Application Serial No. 08/425,185, filed April 19, 1995, and issued as U.S. Patent No. 6,321,208, on November 20, 2001. U.S. Patent No. 6,321,208 as well as U.S. Patent No. 6,336,099 (which is also a continuation of U.S. Patent No. 6,321,208, and which issued on January 1, 2002) are currently the subject of pending litigation in the United States District Court for the District of Maryland Southern Division (Civil Action No. RDB-02-3701).

A Memorandum and Order Regarding Patent Claim Construction was issued on December 16, 2003, and is included herewith as Exhibit A.

**B. Related Appeals**

(1) U.S. Patent Application Serial No. 09/321,597, filed May 28, 1999, is a continuation of U.S. Patent No. 6,321,208. A Notice of Appeal was filed in this Application on August 10, 2004.

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(2) U.S. Patent Application Serial No. 09/543,735, filed April 5, 2000, is a continuation of U.S. Patent No. 6,321,208. A Notice of Appeal was filed in this Application on August 10, 2004.

(3) U.S. Patent Application Serial No. 09/754,378, filed January 5, 2001, is a continuation of U.S. Patent No. 6,321,208. A Notice of Appeal was filed in this Application on August 10, 2004.

(4) U.S. Patent Application Serial No. 09/451,558, filed December 1, 1999, is a continuation of U.S. Patent No. 6,336,099 (which is a continuation of U.S. Patent No. 6,321,208). A Request for a Declaration of Interference with U.S. Patent No. 5,845,259 to West *et al.* is currently being sought. A Notice of Appeal was filed in this Application on August 10, 2004.

(5) U.S. Patent Application Serial No. 09/537,793, filed March 29, 2000, is a continuation of U.S. Patent No. 6,321,208. A Request for a Declaration of Interference with U.S. Patent No. 5,907,830 to Engel *et al.* is currently being sought. A Notice of Appeal was filed in this Application on August 10, 2004.

(6) U.S. Patent Application Serial No. 09/879,823, filed June 12, 2001, is a continuation of U.S. Patent No. 6,321,208. A Request for a Declaration of Interference with U.S. Patent No. 6,075,971 to Williams *et al.* is currently being sought. A Notice of Appeal was filed in this Application on August 10, 2004.

(7) U.S. Patent Application Serial No. 10/871,381, filed June 21, 2004, is a continuation of U.S. Patent No. 6,321,208. A Request for a Declaration of Interference with U.S. Patent No. 6,584,448 to Laor is currently being sought. A First Office Action has not yet been received.

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**III. STATUS OF CLAIMS - 37 C.F.R. §41.37(c)(1)(iii)**

Pending: Claims 47-63 are pending.

Cancelled: Claims 1-46 are cancelled.

Rejected: Claims 47-63 stand rejected.

Allowed: No claims have been allowed.

On Appeal: Claims 47-63 are appealed.

**IV. STATUS OF AMENDMENTS - 37 C.F.R. §41.37(c)(1)(iv)**

No amendments have been filed subsequent to the mailing of the Office Action on June 14, 2004 (hereinafter "Office Action").

**V. SUMMARY OF CLAIMED SUBJECT MATTER - 37 C.F.R. §41.37(c)(1)(v)**

One aspect of Appellants' invention relates to a system and method for distributing and redeeming electronic coupons. *See* Specification, *e.g.*, pg. 1, lines 3+.

According to an embodiment of the invention, a first server (or server system) system including a computer processor and associated memory is provided, and is connected by a communications channel to a client (or client system). For example, in one implementation, the first server (or server system) may comprise a server associated with an Internet web site (*see* FIG. 1). The electronic coupon distribution system and method of the invention comprises a central located repository of electronically stored coupon data. Electronic coupon data distribution may be carried out by connection to any readily accessible Internet site such as the World Wide Web. *See* FIG. 1; and Specification, *e.g.*,

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pg. 14, line 18 – pg. 15, line 10. Additionally, as illustrated in FIG. 1, the Internet web site is connected to, and is accessible by, a remote personal computer (6).

According to an embodiment of the invention, the first server is adapted for transmitting an electronic coupon to the client over the communications channel. The client includes a computer processor and associated memory, and can store the electronic coupon in memory. For example, coupons may be transmitted from the central located repository to remote personal computer (6). *See Specification, e.g., pg. 9, line 19 – pg. 10, line 17; and pg. 19, lines 4-14.* Remote personal computer (6) may include or have associated therewith a user input device (22) such as a keyboard and mouse or other type pointing device, a display (24), and a processor (26), each of which are common to personal computers and are well known in the art. Remote personal computer (6) also may include or have associated therewith an output buffer (28), which typically resides in random access memory. According to one embodiment, the system may include a coupon database file (30) and an offline coupon data management routine file (32) loaded onto a fixed memory such as a hard disk drive. All of these internal components and files may be connected to a data bus (21) for communication therebetween in accordance with techniques well known in the art. *See Specification, e.g., pg. 20, lines 8-22.*

According to an embodiment of the invention, a second server (or server system) is connected to the communications channel, and is adapted to establish a connection with the client. The second server can detect the electronic coupon stored on the client, and is further adapted to redeem the electronic coupon. For example, in one implementation, the second server (or server system) may comprise an online service provider (2). Online service provider (2) may comprise any computer-based information service provider which is accessible by a remote personal computer user via a communications data link such as

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the public switched telephone network (PSTN) or the like. *See* FIG. 1; and Specification, *e.g.*, pg. 14, line 18 – pg. 15, line 10. The online service provider (2) may be connected with a data link (4) or other communication link and is thus accessible by any remote personal computer (6) having a data communications interface (20) such as, for example, a modem. *See* FIGS. 1-2; and Specification, *e.g.*, pg. 14, line 18 – pg. 15, line 10.

Online service provider (2) can detect an electronic coupon stored on remote personal computer (6). For example, in one embodiment of the invention, data exchange capabilities are further utilized to enable, via the online service provider (2), the updating of coupon data stored in the user's remote computer (6) without required interaction from the user. In particular, the on-line service provider (2) can delete expired coupons from the remote computer's coupon database and can vary the amount of redemption value of a non-expired coupon if so desired. The capability for the updating and deleting of coupons within a user's computer (6) can be programmed in the user's computer such that no further interaction with the online service provider (2) is required for such coupons to be deleted or updated. *See* Specification, *e.g.*, pg. 12, lines 4-15; and pg. 27, line 28 – pg. 28, line 16.

According to an embodiment of the invention, a coupon may be redeemed electronically, for example, by sending the coupon data in the output buffer, via the data communications interface (20), back to the online service provider (2). This may be especially useful in the "electronic shopping mall" environment now found in many online services. The electronic coupon data may also be routed via the data communications interface (20) to a retail store where the user will be shopping, where the coupon data is held in a buffer pending purchase by the user of the matching product. *See* Specification, *e.g.*, pg. 15, line 27 – pg. 16, line 3.

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According to an embodiment of the invention, online service provider (2) may comprise both the first and second servers (or server systems). For example, the online service provider (2) may communicate with the personal computer (6) in order to transmit requested coupon data, and also in order to receive coupon requests and user-specific data. *See Specification, e.g., pg. 15, line 27 – pg. 16, line 3.* The online service provider (2) may also be adapted to detect and redeem an electronic coupon stored on remote personal computer (6) as described in detail above.

**VI. GROUND OF REJECTION TO BE REVIEWED ON APPEAL - 37 C.F.R. §41.37(c)(1)(vi)**

A. Claims 52 and 58 stand rejected under 35 U.S.C. §112, first paragraph, as allegedly containing subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. *See Office Action, pg. 3, ¶5.*

B. Claims 47-51 and 53-60 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over U.S. Patent No. 4,882,675 to Nichtberger *et al.* (“Nichtberger”) in view of U.S. Patent No. 5,380,991 to Valencia *et al.* (“Valencia”). *See Office Action, pg. 4, ¶6.*

C. Claims 52 and 63 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over the combination of Nichtberger and Valencia, further in view U.S. Patent No. 5,592,378 to Cameron *et al.* (“Cameron”). *See Office Action, pg. 7, ¶7.*

D. Claims 47-63 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over U.S. Patent No. 5,227,874 to Von Kohorn in view of U.S. Patent No. 5,734,823 to Saigh *et al.* (“Saigh”). *See Office Action, pg. 7, ¶8.*

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E. The Examiner has failed to initiate an Interference between the above-identified application, and U.S. Patent No. 6,076,069 to Laor. *See* Office Action, pg. 2, ¶4.

**VII. ARGUMENTS - 37 C.F.R. §41.37(c)(1)(vii)**

Each rejection should be reversed for the reasons set forth herein.

A. **Claims 52 and 58 are supported by the Specification.**

Claims 52 and 58 are supported by the Specification and satisfy the requirements of 35 U.S.C. §112, first paragraph.

35 U.S.C. §112, first paragraph recites:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

To satisfy the written description requirement of 35 U.S.C. §112, first paragraph, an applicant must "convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession *of the invention*. The invention is, for purposes of the 'written description' inquiry, *whatever is now claimed.*" *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563-1564, 19 U.S.P.Q. 2d (BNA) 1111, 1117 (Fed. Cir. 1991) (emphasis in original).

To satisfy the written description requirement, it is not necessary for the claimed subject matter to be described in *haec verba* in the specification. *University of Rochester v. G.D. Searle & Co., Inc.*, 358 F.3d 916, 922-923, 69 U.S.P.Q. 2d (BNA) 1886, 1892

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(Fed. Cir. 2004). Rather, "the written description requirement can be satisfied by 'words, structures, figures, diagrams, formulas, etc.'" *Koto Manufacturing Co., Ltd. v. Turn-Key-Tech, LLC*, 381 F.3d 1142, 1154, 72 U.S.P.Q. 2d (BNA) 1190, 1199 (Fed. Cir. 2004) (quoting *Lockwood v. Am. Airlines, Inc.*, 107 F.3d 1565, 1572, 41 U.S.P.Q. 2d (BNA) 1961, 1966 (Fed. Cir. 1997)).

For each claim element identified by the Examiner, Appellants have provided below exemplary citations to the Specification and/or drawing figures where support can be found. It should be understood, however, that the citations set forth are not exclusive. The Specification discloses numerous embodiments, and various system elements disclosed therein may perform various functions, or be coupled with one or more other system elements to perform various functions depending on the embodiment. As such, the following citations should not be viewed as limiting.

1. Claim 52.

With regard to claim 52, the Examiner erroneously alleges that the Specification does not disclose a "TCP/IP" network. *See* Office Action, pg. 3, ¶5.

The Specification clearly discloses the use of the Internet which is an example of (and clearly supports) the concept of a TCP/IP network. In Random House Webster's Computer & Internet Dictionary, Third Edition, © 1999 by Phillip E. Margolis, "TCP/IP" is defined as follows:

Abbreviation for *Transmission Control Protocol/Internet Protocol*, the suite of communications protocols used to connect hosts on the Internet. TCP/IP uses several protocols, the two main ones being TCP and IP. TCP/IP is built into the UNIX operating system and is used by the Internet, making it the de facto standard for transmitting data over networks. Even network operating systems that have their own protocols, such as Netware, also support TCP/IP.

**Emphasis Added.**

The Specification provides ample support in the various embodiments disclosed therein for the transmission of data (*e.g.*, user data, incentive data, *etc.*) over Networks (*e.g.*, Internet) between *at least*, for example, coupon issuers, distributors, redemption centers, online service providers, Internet web sites, user computers, *etc.* As such, given that TCP/IP is the “*de facto*” standard for transmitting data over networks, it would be readily apparent to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

Even the Examiner has acknowledged that the Internet is “*one manifestation of a TCP/IP network.*” *See* Office Action, pg. 14. Accordingly, the rejection of claim 52 is legally improper and should be reversed.

2. **Claim 58.**

With regard to claim 58, the Examiner erroneously alleges that the Specification fails to disclose a step wherein “the server receives a request for information from the client prior to establishing a connection over a communications channel between a client and a server.” *See* Office Action, pg. 3, ¶5.

As disclosed in the Specification in *at least* pg. 19, lines. 4-14, a user may order a package of electronic coupons from the online service provider (2) via a client (*e.g.*, personal computer (6)). Upon receiving this request from the client, online service provider (2) may transmit the requested information to the personal computer (6). This comprises one exemplary illustration of a server receiving “a request for information from

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the client prior to establishing a connection over a communications channel between a client and a server.”

Accordingly, the rejection of claim 58 is improper and should be reversed.

**B. Claims 47-63 are Patentable Under 35 U.S.C. §103(a)**

“The foundational facts for the *prima facie* case of obviousness are: (1) the scope and content of the prior art; (2) the difference between the prior art and the claimed invention; and (3) the level of ordinary skill in the art.” *In re Mayne*, 104 F.3d 1339, 1341, 41 U.S.P.Q. 2d (BNA) 1451, 1453 (Fed. Cir. 1997) (citing *Graham v. John Deere Co.*, 383 U.S. at 17-18, 86 S.Ct. at 693-94, 148 U.S.P.Q. (BNA) 459, 466-67; *Miles Labs., Inc. v. Shandon Inc.*, 997 F.2d 870, 877, 27 U.S.P.Q. 2d (BNA) 1123, 1128 (Fed. Cir. 1993)). When present, evidence of secondary considerations “must be considered in determining obviousness.” *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 667, 57 U.S.P.Q. 2d (BNA) 1161, 1169 (Fed. Cir. 2000).

Moreover, to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 985, 180 U.S.P.Q. (BNA) 580 (C.C.P.A. 1974). “All words in a claim must be considered in judging the patentability of that claim against the prior art.” *In re Wilson*, 424 F.2d 1382, 1385, 165 U.S.P.Q. (BNA) 494, 496 (C.C.P.A. 1970).

Additionally, obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. *In re Fine*, 837 F.2d 1071, 1074, 5 U.S.P.Q. 2d (BNA) 1596, 1598-99 (Fed. Cir. 1988).

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1. *Independent claim 47 and dependent claims 48-51 and 53-56 are patentable under 35 U.S.C. §103(a) over Nichtberger in view of Valencia.*

Independent claim 47 and dependent claims 48-51 and 53-56 are patentable under 35 U.S.C. §103(a) over Nichtberger in view of Valencia for *at least* the following reasons:

- a. The meaning given to *at least* the term "client system" by the Examiner is inconsistent with the meaning given to the term by those of ordinary skill in the art;
- b. There is no teaching, suggestion, or motivation to combine Nichtberger and Valencia; and
- c. Assuming arguendo that there was a teaching, suggestion, or motivation to combine Nichtberger and Valencia, the rejection would still be improper as the two references, even when combined, fail to teach or suggest all of the claim elements.

- a. **The Examiner's interpretation of "client system" is strained and inconsistent with the meaning given to the term by those of ordinary skill in the art.**

In the Office Action, at ¶6, pgs. 4-5, the Examiner erroneously interprets the customer's special card of Nichtberger to be the client system. This is a very strained interpretation in light of the claims as a whole, and is also an unfair reading of Nichtberger. The Examiner concedes that the special card of Nichtberger fails to even include a computer processor and associated memory. Thus it is neither a client system nor a smart card. The Examiner attempts, however, to rely on the smart card of Valencia for these features:

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Nichtberger does not explicitly disclose that the client system includes a computer processor and associated memory.

However, Valencia discloses client system including a computer processor and associated memory for storing and processing information related to electronic coupons (col 3, lines 13-20; col 3, lines 44-47).

Valencia further discloses that the features of Nichtberger are directly related to the invention disclosed (col 2, lines 15-35).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Valencia's smart card to Nichtberger's special card. One would have been motivated to do this because the smart card is an obvious improvement of the special card and allows for broader functionality.

The Examiner's interpretation of the customer's special card of Nichtberger (whether viewed alone - or as modified by Valencia) as a client system is baseless and inconsistent with the separate meanings afforded to the terms "client" and "smart card" by those having skill in the art.

As an *exemplary* illustration, Applicants have provided below the separate definitions of "client" and "smart card" as defined in Random House Webster's Computer & Internet Dictionary, Third Edition, © 1999 by Phillip E. Margolis:

**CLIENT:**

The client part of a client-server architecture. Typically, a client is an application that runs on a personal computer or workstation and relies on a server to perform some operations. For example, an e-mail client is an application that enables you to send and receive e-mail.

**SMART CARD:**

A small electronic device about the size of a credit card that contains electronic memory, and possibly an embedded integrated circuit (IC). Smart cards containing an IC are sometimes called Integrated Circuit Cards (ICCs).

Smart cards are used for a variety of purposes, including:

- Storing a patient's medical records
- Storing digital cash
- Generating network IDs (similar to a token)

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To use a smart card, either to pull information from it or add data to it, you need a smart card reader, a small device into which you insert the smart card.

Accordingly, in view of the widely accepted, separate meanings of “client” and “smart card,” the Examiner’s rejection is flawed. Assuming arguendo that a smart card was even deemed to be a client, the rejection would still fail for at least the reason that the smart card is not a “client system.” According to the definition of smart card set forth above, a smart card reader is needed to use a smart card. A “client system” has no such requirement.

For at least these reasons, the rejection of independent claim 47 and dependent claims 48-51 and 53-56 is improper and should be reversed.

**b. There is no teaching, suggestion, or motivation to combine Nichtberger and Valencia.**

The rejection of independent claim 47 is improper as there exists no teaching, suggestion, or motivation to modify Nichtberger to include the teachings of Valencia to arrive at Appellants’ claimed invention. By contrast, the Examiner’s motivation to combine these references constitutes a double-leap of logic. First, the Examiner alleges without support that it would be obvious to substitute the smart card of Valencia for the special card of Nichtberger. Next, the smart card of Nichtberger/Valencia would have to be substituted for a client system, as disclosed and claimed by Appellants. There is no teaching, suggestion, or motivation to support this series of modifications (or substitutions). For at least this reason, the rejection of independent claim 47 and dependent claims 48-51 and 53-56 is improper and should be reversed.

c. Assuming arguendo that there was a teaching, suggestion, or motivation to combine Nichtberger and Valencia, the rejection would still be improper as the two references, even when combined, fail to teach or suggest all of the claim elements.

Assuming arguendo that there was a teaching, suggestion, or motivation to combine the two references, the rejection would still be improper as Nichtberger and Valencia, even when combined, fail to teach or suggest all of the claim elements.

In particular, Nichtberger as modified by Valencia fails to teach or suggest *at least* the claimed features of:

1. a client system;
2. a second server system connected to the same communications channel as the first communications channel; and
3. the first server system being adapted for transmitting an electronic coupon to said client system over said communications channel, and the client system being adapted for storing said electronic coupon in said memory.

1. Nichtberger/Valencia fail to teach a client system.

As recited above, the Examiner's erroneous interpretation of a smart card as a "client system" is inconsistent with the meaning given to these terms by those of ordinary skill in the art. As such, the combination of Nichtberger and Valencia fails to teach or suggest a client system as understood by those of ordinary skill in the art. Thus, the rejection of independent claim 47 and dependent claims 48-51 and 53-56 is improper and should be reversed.

2. Nichtberger/Valencia fail to teach a second server system connected to the same communications channel as the first server system.

Assuming arguendo that the Examiner's interpretation of the smart card as a client system is deemed proper, the rejection of independent claim 47 and dependent claims 48-51 and 53-56 should still be reversed, as the combination of Nichtberger and Valencia fails to disclose a second server system connected to the same communications channel as the first server system.

In particular, with regard to the communications channel, the claim language requires that the first server be adapted for transmitting an electronic coupon to the client system over the communications channel, and that the second server be connected to the communications channel. According to the Office Action, the Examiner appears to rely on the local CDR unit (20) of Nichtberger to be the first server system, and the customer's special card to be the client system. The Examiner cites various passages of Nichtberger to support this interpretation:

The local CDR unit 20 presents an electronic display to the customer of the coupons which are available for redemption *after the customer inserts a card as described below into the unit*. The card may include a UPC code which identifies the user and *a magnetic stripe on which information can be recorded*. The customer then selects the coupons which he or she wishes to redeem. The CDR unit 20 records the selection and makes information identifying the customer and the selected coupons available to each of the checkout stations which comprise the checkout system 18 of the supermarket.

*See Nichtberger, col. 5, lns. 1-16. **Emphasis Added.***

.....

A still further possibility is that information regarding the coupons selected by a customer *could be recorded on the customer's special card at the time of coupon selection. The information recorded on the card could*

*then be read directly at the checkout station for redemption and subsequent clearing.*

*See* Nichtberger, col. 30, lns. 1-6. ***Emphasis Added.***

According to the Examiner's interpretation, the claimed feature of the first server being adapted for transmitting an electronic coupon to the client system over the communications channel would have to, in Nichtberger, be the CDR Unit (20) recording an electronic coupon on to the customer's special card when the customer's special card is inserted into CDR unit (20). Following this rationale, the communications channel would then have to be a data bus or other electrical component within the CDR Unit (20) that enables data to be recorded on to the customer's special card when the customer's special card is inserted into CDR unit (20).

Applying the Examiner's interpretation consistently, this communications channel [within CDR Unit (20)] could not be the same communications channel used at the checkout system (18) (which the Examiner appears to rely on to be the second server system) to read stored information off of the customer's special card -- as checkout system (18) is separate and apart from CDR Unit (20). For at least this reason, the Examiner's interpretation and application of Nichtberger and Valencia is flawed.

3. Nichtberger/Valencia fail to teach the first server system being adapted for transmitting an electronic coupon to said client system over said communications channel, and the client system being adapted for storing said electronic coupon in said memory.

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As discussed in detail above, the Examiner relies on one embodiment of Nichtberger (e.g., col. 30, lns. 1-6) which appears to teach recording information regarding coupons selected by a customer on to the customer's special card at the time of coupon selection, and then reading the information recorded on the card directly at the checkout station for redemption and subsequent clearing.

In the Office Action, at pg. 4, the Examiner also appears to be simultaneously relying on an alternative embodiment in Nichtberger which *appears* to teach transmitting coupon selection information from the local CDR Unit to a local processor (which controls the store's automated checkout system) over a communications link, rather than recording the information directly on to the customer's special card for later reading and redemption. *See* Nichtberger, e.g., col. 10, line 50 – col. 12, line 15. In this embodiment, the special card appears to be used primarily for user identification purposes.

While the Examiner may attempt to look to the local CDR Unit, the local checkout system controller, and the communications link of Nichtberger as allegedly reading on Appellants' claimed first server system, second server system, and communications channel, respectively, such an interpretation is also flawed. In particular, because coupon selection information appears to be transmitted from the local CDR Unit to the local processor in this embodiment of Nichtberger, and because the special card appears to be used primarily for user identification purposes in this embodiment, the claim feature of transmitting an electric coupon to the client system (which the Examiner has defined as Nichtberger's special card) is not met.

For *at least* these reasons, Appellants submit that none of the references cited by the Examiner, either alone or in combination, teach all of the elements of independent claim 47. Specifically, the addition of Valencia does not cure the deficiencies in the

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disclosure of Nichtberger articulated above. Accordingly, the rejection of independent claim 47 and dependent claims 48-51 and 53-56 is improper and should be reversed.

**2. *Independent claim 57 and dependent claims 58-60 are patentable under 35 U.S.C. §103(a) over Nichtberger in view of Valencia.***

Independent claim 57 and dependent claims 58-60 are patentable under 35 U.S.C. §103(a) over Nichtberger in view of Valencia. Independent claim 57 recites a “client,” “server,” and “subsequent server,” rather than the “client system,” “first server system,” and “second server system” as recited in independent claim 47. Regardless, the arguments set forth in detail above regarding claim 47 apply.

In particular, as discussed in detail above with regard to claim 47, the Examiner’s interpretation of “client” is inconsistent with the meaning given to the term by those of ordinary skill in the art.

Moreover, the server and subsequent server are not connected to the same communications channel, as described in detail above regarding claim 47.

Additionally, to the extent that the Examiner relies on alternative embodiments of Nichtberger simultaneously, as described above with regard to claim 47, the alternative embodiment relied upon does not appear to disclose transferring an electronic coupon from the server to the client.

For *at least* these reasons, Appellants submit that none of the references cited by the Examiner, either alone or in combination, teach all of the elements of independent claim 57. Specifically, the addition of Valencia does not cure the deficiencies in the disclosure of Nichtberger articulated above. Accordingly, the rejection of independent claim 57 and dependent claims 58-60 is improper and should be reversed.

3. *Dependent claims 48-51, 53-56, and and 58-60 are separately patentable over the combination of Nichtberger and Valencia.*

Appellants submit that dependent claims 48-51 and 53-56 are allowable because they depend from allowable independent claim 47 for the reasons set forth above, as well as for the further limitations they contain. Additionally, Appellants submit that dependent claims 58-60 are allowable because they depend from allowable independent claim 57 for the reasons set forth above, as well as for the further limitations they contain.

a. claim 48.

Claim 48 further recites the claim element(s) of “*...a third server system connected to said communications channel, said third server system being adapted for communicating with said second server system and for authorizing the redemption of said electronic coupon.*”

As discussed above, the Examiner has interpreted the customer's special card of Nichtberger to be the client system, and the local CDR unit (20) to be the first server system. Following this rationale, the communications channel would then have to be a data bus or other electrical component within the CDR Unit (20) that enables data to be recorded on to the customer's special card when the customer's special card is inserted into CDR Unit (20). The Examiner further appears (as discussed above) to rely on checkout system (18) as the second server system.

Applying the Examiner's interpretation consistently, the passage and figure relied upon by the Examiner in Nichtberger do not appear to disclose the element(s) of claim 48. In particular, there does not appear to be a third server system connected to the communications channel [e.g., the data bus or other electrical component within the CDR

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Unit (20) that enables data to be recorded on to the customer's special card when the customer's special card is inserted into CDR Unit (20)]. For at least this reason, the rejection of claim 48 is improper and should be reversed.

b. claim 49.

Claim 49 further recites the claim element(s) of "...*wherein said second server system is adapted to redeem said coupon as a function of a transaction initiated between said client system and said second server system.*" Applying the Examiner's interpretation of what constitutes the client system, first server system, communications channel, and second server system in Nichtberger consistently, the figure relied upon by the Examiner in Nichtberger (for claim 49) does not appear to disclose the element(s) of claim 49. For at least this reason, the rejection of claim 49 is improper and should be reversed.

c. claim 50.

Claim 50 further recites the claim element(s) of "...*wherein said second server system is adapted to redeem said coupon by modifying a transaction initiated between said client system and said second server system.*" Applying the Examiner's interpretation of what constitutes the client system, first server system, communications channel, and second server system in Nichtberger consistently, the figure relied upon by the Examiner in Nichtberger (for claim 50) does not appear to disclose the element(s) of claim 50. For at least this reason, the rejection of claim 50 is improper and should be reversed.

d. claim 51.

Claim 51 further recites the claim element(s) of "...*wherein said communications channel includes a network.*" Applying the Examiner's interpretation of what constitutes the communications channel in Nichtberger consistently, the passages and figure relied upon by the Examiner in Nichtberger (for claim 51) do not appear to disclose the

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element(s) of claim 51. For at least this reason, the rejection of claim 51 is improper and should be reversed.

e. claim 53.

Claim 53 further recites the claim element(s) of “*...wherein said first server system and said second server system are the same server system.*” Applying the Examiner’s interpretation of what constitutes the first server system and second server system in Nichtberger consistently, the passage relied upon by the Examiner in Nichtberger (for claim 53) does not appear to disclose the element(s) of claim 53. For at least this reason, the rejection of claim 53 is improper and should be reversed.

f. claim 54.

Claim 54 further recites the claim element(s) of “*...wherein said electronic coupon is a token issued under the authority of an issuer for the benefit of said client.*” The passage relied upon by the Examiner in Nichtberger (for claim 54) does not appear to disclose the element(s) of claim 54. For at least this reason, the rejection of claim 54 is improper and should be reversed.

g. claim 55.

Claim 55 further recites the claim element(s) of “*...wherein said electronic coupon includes data representative of one or more of a serial or identification number, a validation key, an authentication key, an authorizing vendor, a redeeming vendor, a benefit or discount to be associated with a transaction, a level of access granted, and an issuing activity.*” Assuming arguendo that the passages in Nichtberger cited by the Examiner do teach the element(s) of claim 55, the rejection of claim 55 is still improper for at least the stated deficiencies of the Nichtberger/Valencia combination presented

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above with regard to independent claim 47. As such, the rejection of claim 55 is improper and should be reversed.

h. claim 56.

Claim 56 further recites the claim element(s) of “*...wherein said electronic coupon includes data representative of the identity of a location at which additional coupon information resides.*” The passage relied upon by the Examiner in Nichtberger (for claim 56) does not appear to disclose the element(s) of claim 56. For at least this reason, the rejection of claim 56 is improper and should be reversed.

i. claim 58.

Claim 58 further recites the claim element(s) of “*...wherein prior to step A, the server receives a request for information from the client.*” Applying the Examiner’s interpretation of what constitutes the client and server in Nichtberger consistently, the passages relied upon by the Examiner in Nichtberger (for claim 58) do not appear to disclose the element(s) of claim 58. For at least this reason, the rejection of claim 58 is improper and should be reversed.

j. claim 59.

Claim 59 further recites the claim element(s) of “*...authenticating said electronic coupon and authorizing a transaction between said client and subsequent server as a function of an authenticated electronic coupon.*” Applying the Examiner’s interpretation of what constitutes the client, server, and subsequent server in Nichtberger consistently, the figure and passages relied upon by the Examiner in Nichtberger (for claim 59) do not appear to disclose the element(s) of claim 59. For at least this reason, the rejection of claim 59 is improper and should be reversed.

k. claim 60.

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Claim 60 further recites the claim element(s) of “*...establishing a connection between said subsequent server and an authentication server; said authentication server authenticating said electronic coupon and authorizing the redemption of said electronic coupon.*” The figure and passages relied upon by the Examiner in Nichtberger (for claim 60) do not appear to disclose the element(s) of claim 60. For at least this reason, the rejection of claim 60 is improper and should be reversed.

**4. *Claims 52 and 63 are patentable over the combination of Nichtberger and Valencia, further in view of Cameron.***

Dependent claim 52 and independent claim 63 are patentable under 35 U.S.C. §103(a) over the Nichtberger/Valencia combination, further in view of Cameron.

In the Office Action, at pg. 7, ¶7, the Examiner’s alleged rejection is focused on the claim element of “*wherein said communication channel includes a TCP/IP based network.*”

**a. claim 52.**

The rejection of dependent claim 52 is legally improper as there exists no teaching, suggestion, or motivation to further modify the already improper combination of Nichtberger and Valencia to further include the teachings of Cameron. In particular, Cameron appears to be directed toward a computerized order entry system and method (see Cameron, e.g., col. 1, lines 13-16) and is non-analogous to both Nichtberger and Valencia.

Assuming arguendo that there was a teaching, suggestion, or motivation to modify the already improper combination of Nichtberger and Valencia to further include the teachings of Cameron, the rejection would still be improper as the three-reference

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combination would still fail to teach or suggest all of the claim elements. In particular, the addition of Cameron fails to cure the deficiencies of the Nichtberger/Valencia combination discussed above with regard to independent claim 47. For at least these reasons, the rejection of claim 52 is improper and should be reversed.

b. claim 63.

With regard to independent claim 63, Appellants note that the recitation of the claim element “*...wherein said communication channel includes a TCP/IP based network...*” does not even appear in claim 63. However, in the Office Action, at pg. 7, ¶7, to the extent that the Examiner’s recitation of “*...the Internet is one obvious manifestation of a TCP/IP network*” constitutes his rejection of independent claim 63 over the combination of Nichtberger and Valencia, further in view of Cameron, the rejection is legally improper. There exists no teaching, suggestion, or motivation to further modify the already improper combination of Nichtberger and Valencia to further include the teachings of Cameron. As recited above, Cameron appears to be directed toward a computerized order entry system and method (*see* Cameron, e.g., col. 1, lines 13-16) and is non-analogous to both Nichtberger and Valencia.

Assuming arguendo that there was a teaching, suggestion, or motivation to modify the already improper combination of Nichtberger and Valencia to further include the teachings of Cameron, the rejection would still be improper as the three-reference combination would still fail to teach or suggest all of the claim elements. In particular, the addition of Cameron fails to cure the deficiencies of the Nichtberger/Valencia combination presented above with regard to independent claims 47 and 57. For at least these reasons, the rejection of claim 63 is improper and should be reversed.

5. ***Claims 47-63 are patentable over Von Kohorn in view of Saigh.***

Claims 47-63 are patentable under 35 U.S.C. §103(a) over Von Kohorn in view of Saigh for *at least* the reasons that: (1) the Examiner relies on non-analogous art for the rejection of claims 47-63; and (2) assuming arguendo that the art is not deemed non-analogous, the Examiner has still failed to set forth a *prima facie* case of obviousness because the references relied upon by the Examiner, even when combined, fail to disclose, teach or suggest all of the elements of claims 47-63.

a. ***The Examiner Relies on Non-Analogous Art for the rejection of claims 47-63.***

With regard to claims 47-63, the Examiner relies on U.S. Patent No. 5,227,874 to Von Kohorn, and U.S. Patent No. 5,734,823 to Saigh *et al.* ("Saigh"). The Examiner's reliance on Von Kohorn and Saigh is improper as these references are non-analogous art to Appellants' claimed invention.

A two step test has been developed to determine whether a particular reference is within the appropriate scope of the prior art. First, it must be determined whether a particular reference is "within the field of the inventor's endeavor." Second, assuming the reference is outside that field, it must be determined whether the reference is "reasonably pertinent to the particular problem with which the inventor was involved." *In re Deminski*, 796 F.2d 436, 230 U.S.P.Q. (BNA) 313, 315 (Fed. Cir. 1986).

1. ***The references are outside Appellants' field of endeavor.***

Von Kohorn and Saigh are outside the field of the inventor's endeavor for at least the reasons that none of these references relate to the relevant field of endeavor. The

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inventor's field of endeavor for claims 47-63 relates to the electronic distribution of secure, trackable, money saving or discount coupons and other marketing incentives, and in particular to use of a centrally located online computer system for interactively distributing such coupons to remotely connected consumer computers and for collecting user-specific data regarding coupon usage and user demographic information from the remote computers in an effort to eliminate fraud. *See Specification, e.g., pg. 1, lines 3-10; pg. 8, lines 17-25; and pg. 9, lines 11-15.*

Von Kohorn clearly states that the field of the invention relates to measuring the impact of stimuli on individuals, and more particularly, to evaluating the short term and long term effectiveness of broadcast and print stimuli under varying circumstances. *See Von Kohorn, e.g., col. 1, lines 20-24.*

Saigh is directed to a system for distributing information in electronic form between a central information bank and a user interface. *See Saigh, e.g., col. 1, lines 13-16.*

These fields of endeavor are not within the inventor's field of endeavor. None are for the electronic distribution of secure, trackable, money saving or discount coupons and other marketing incentives, and in particular to use of a centrally located online computer system for interactively distributing such coupons to remotely connected consumer computers and for collecting user-specific data regarding coupon usage and user demographic information from the remote computers in an effort to eliminate fraud.

2. *The references are not reasonably pertinent to the particular problem(s) with which Appellants were involved.*

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Since Von Kohorn and Saigh are outside the inventor's field of endeavor, the inquiry becomes whether these references are reasonably pertinent to the particular problem(s) with which Appellants were involved. They are not. These problems included:

1. Providing an electronic coupon distribution system which can be easily accessed by masses of consumers by using a readily available personal computer *rather than needing to purchase special purpose equipment.* *See Specification, e.g., pg. 8, lines 5-9 (emphasis added).*
2. Providing an electronic coupon distribution system which allows *a user to request transmission of coupon data* and select, store, manipulate and print coupons from such coupon data. *See Specification, e.g., pg. 8, lines 11-15 (emphasis added).*
3. Providing an electronic coupon distribution system which allows the coupon issuing companies to access valuable information directly from the consumer without requiring specific and additional action by the consumer, but rather by using the information from the user's personal computer regarding the consumer's selection, printing and actual redemption of coupons, as well as responses to demographic queries posed to the users. *See Specification, e.g., pg. 8, lines 17-25.*
4. Providing an electronic coupon distribution system which allows for automatic deletion of expired coupons in the user's computer database and the modification of redemption amounts of coupons in the user's database, both of which can be transparent to the user. *See Specification, e.g., pg. 9, lines 4-9.*

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5. Providing a secure coupon system which generates unique coupons with user-identifying data and allows the printing of a coupon only once, thus eliminating the possibility of fraud by both the consumer and the retailer.  
*See Specification, e.g., pg. 9, lines 11-15.*
6. Providing an efficient, low cost, zip-code/lifestyle/lifestage or household targeted coupon distribution system to tailor the incentives to each user.  
*See Specification, e.g., pg. 9, lines 17-20.*

A reference is reasonably pertinent if, even though it may be in a different field from that of the inventor's endeavor, it is one which, because of the matter with which it deals, logically would commend itself to an inventor's attention in considering his problem. Thus, the purposes of both the invention and the prior art are important in determining whether the reference is reasonably pertinent to the problem the inventor attempts to solve. If a reference disclosure has *the same purpose* as the claimed invention, the reference relates to the same problem, and that fact supports use of that reference in an obviousness rejection. An inventor may well have been motivated to consider the reference when making his invention. If it is directed to a different purpose, the inventor would accordingly have had less motivation or occasion to consider it. *In re Clay*, 966 F.2d 656, 23 U.S.P.Q. 2d (BNA) 1058 (Fed. Cir. 1992). *Emphasis Added.*

Von Kohorn is more concerned with the problem of quantifying the initial impact and the continuing effectiveness of advertising on shoppers with respect to an identified advertisement in terms of the purchase of the advertised product. *See Von Kohorn, e.g., col. 1, lines 43-47.* Moreover, Von Kohorn provides special purpose equipment in the form of a custom response unit.

Saigh is more concerned with the problem of providing networks with improved dissemination of proprietary information. *See Saigh, e.g., col. 1, lines 29-50.* The Examiner relies on this reference primarily for teaching the dissemination of information over the Internet.

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Neither Von Kohorn nor Saigh are reasonably pertinent to the particular problem(s) with which Appellants were involved. A person having ordinary skill in the art would not reasonably have expected to solve the problem(s) of providing an electronic coupon distribution system which generates unique, secure, and trackable coupons so as to eliminate the possibility of fraud, by considering the problem(s) of evaluating the short term and long term effectiveness of broadcast and print stimuli on individuals under varying circumstances, or providing networks with improved dissemination of proprietary information. The record is devoid of any evidence to the contrary.

As such, there would be no reason one of ordinary skill in the art would look to the diverse fields of these references absent hindsight.

Patent examination is necessarily conducted by hindsight, with complete knowledge of the applicant's invention, and the courts have recognized the subjective aspects of determining whether an inventor would be reasonably motivated to go to the field in which the examiner found the reference, in order to solve the problem confronting the inventor... [I]t is...in other words, common sense...in deciding in which fields a person of ordinary skill would reasonably be expected to look for a solution to the problem facing the inventor...The combination of elements from non-analogous sources, in a manner that reconstructs the applicant's only with the benefit of hindsight, is insufficient to present a *prima facie* case of obviousness. *In re Oetiker*, 977 F.2d 1443, 24 U.S.P.Q. 2d (BNA) 1443 (Fed. Cir. 1992).

For at least the foregoing reasons, Von Kohorn and Saigh are non-analogous to the invention of claims 47-63. The rejections based thereon should therefore be reversed.

- b. **The references relied upon by the Examiner, even when combined, fail to disclose teach or suggest all of the elements of claims 47-63.**

Assuming arguendo that there was a teaching, suggestion, or motivation to combine the two references, the rejection would still be improper as Von Kohorn and

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Saigh, even when combined, fail to disclose, teach or suggest all of the elements of claims 47-63.

Claims 47-63 are directed to a system and method for distributing and redeeming electronic coupons. Von Kohorn, by contrast, is directed to the measuring of the impact of stimuli on individuals and, more particularly, to evaluating the short term and long term effectiveness of broadcast and print stimuli under varying circumstances. *See Von Kohorn, e.g., col. 1, lines 20-24.* The coupon aspects of Von Kohorn are ancillary to the main purpose of the system and method of Von Kohorn.

In various embodiments, Von Kohorn utilizes a custom response unit that may be placed in systematically or randomly selected homes, used for desired research purposes and thereupon moved to new locations. *See Von Kohorn, e.g., col. 20, lines 8+.* Consumers may, in response to answering questions or following other instructions during a broadcast, receive inducements (e.g., coupons). Such inducements may be outputted via a special dispenser associated with the custom response units. In at least some embodiments, an inducement is printed on a special matrix. Von Kohorn further discloses redemption of inducements (e.g., coupons) by mail, by telephone, or in-person (e.g., col. 87, lines 55-66).

In the Office Action, at pg. 8, the Examiner's rejection with regard to the claim element of a second (or subsequent) server being adapted to redeem said electronic coupon (which appears in independent claims 47, 57, 61, 62, and 63) is somewhat confusing. First, the Examiner indicates that this feature is disclosed at col. 87, lines 55-66 of Von Kohorn. In the very next sentence, however, the Examiner recites: "*Von Kohorn does not explicitly disclose that the electronic coupon is electronically redeemed by the central station.*" In addition to the inconsistency, Appellants note that none of claims 47-63 even

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recite a “*central station*.” The Examiner then alleges that this feature would have been obvious, citing that the motivation would be to “...allow Von Kohorn’s users convenient incentive redemption.” *See* Office Action, at pg. 9.

Appellants first note that Von Kohorn, at col. 87, lines 55-66, does not appear to teach the claim element of a second (or subsequent) server being adapted to redeem an electronic coupon. Rather, this passage recites that a shopper transmits a coupon to a redemption center by mail, by telephone, or in person. Moreover, there appears to be no teaching, suggestion, or motivation to modify Von Kohorn to enable electronic redemption. Assuming arguendo that there was a teaching, suggestion, or modify Von Kohorn as the Examiner suggests, the rejection would still be improper as Von Kohorn, even when modified, would still fail to disclose, teach or suggest all of the claim elements.

In particular, each of independent claims 47, 57, 61, 62, and 63 include the claim element of a second (or subsequent) server detecting the electronic coupon stored on the client system. The Examiner alleges, in the Office Action, at pg. 8, that this feature is disclosed by Von Kohorn at col. 3, lines 3-22. However, this passage, which is reproduced below, does not appear to disclose, teach, or suggest a second (or subsequent) server detecting the electronic coupon stored on the client system:

The response units at individual shoppers' locations have means for dispensing individual coupons following a response and for compiling a cumulative record of products for which the shopper has requested or selected discount coupons. Such a cumulative record can take the form of a tape intermittently printed as coupons are requested. Whereas the coupons are dispensed individually when printed as described in connection with the drawings, the tape matrix having the cumulative coupon data printed thereon is temporarily retained in the response unit in the form of a tape.

It is removed and replaced the way the tapes of known calculators are retained until fully used, at which time they are replaced.

In the event a shopper uses, i.e. redeems all of the coupons requested by purchasing the specified product, the total number of products

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thus purchased will equal the number of products listed on the cumulative record compiled by the response unit of that shopper.

For *at least* the reason that the passage relied upon by the Examiner does not appear to disclose, teach, or suggest the feature of a second (or subsequent) server detecting the electronic coupon stored on the client system, Appellants submit that the rejection of independent claims 47, 57, 61, 62, and 63 is improper, and should be reversed.

Appellants wish to note that they previously raised the foregoing argument in the Amendment filed April 6, 2004, at pgs. 11-12. In the Office Action, at pgs. 18-19, the Examiner responds by shifting to an apparent obviousness rejection and providing several citations to various passages of Von Kohorn. The Examiner argues that it would have been obvious to “*...add Von Kohorn's two-way communication between the client and server system to Von Kohorn's server system utilizing client system information for marketing analysis...in order to provide access to relevant information that can be used for marketing analysis.*” Neither this statement, nor the passages in Von Kohorn cited by the Examiner, however, appear to address the claim element of a second (or subsequent) server detecting the electronic coupon stored on the client system. As such, Appellants maintain that the rejection of independent claims 47, 57, 61, 62, and 63 is improper, and should be reversed.

With regard to independent claim 63, which explicitly recites the Internet, the Examiner concedes that “*Von Kohorn does not explicitly disclose that the communication channel can be the Internet.* See Office Action, at pgs. 9-10. The Examiner relies on Saigh, however, for this feature. There exists no teaching, suggestion, or motivation to modify Von Kohorn to include the teachings of Saigh. The Examiner's general recitation that the Internet is a readily available way to transmit information doesn't adequately

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address why it would have been obvious to modify the particular system and method of Von Kohorn to include the Internet when, for example, in a majority of the embodiments of Von Kohorn, a custom response unit is placed in systematically or randomly selected homes, used for desired research purposes, and thereupon moved to new locations. *See* Von Kohorn, *e.g.*, col. 20, lines 8+.

For *at least* this reason, neither Von Kohorn, Saigh, nor the knowledge generally available to one of ordinary skill in the art, provide a legally proper teaching, suggestion, or motivation to modify Von Kohorn to include the teachings of Saigh.

Assuming arguendo that there was a teaching, suggestion, or motivation to modify Von Kohorn to include the teachings of Saigh, the rejection would still be improper as the two references, even when combined, would still fail to teach or suggest all of the claim elements. In particular, the addition of Saigh to Von Kohorn fails to cure the deficiencies of Von Kohorn discussed above. For at least these reasons, the rejection of claim 63 is improper and should be reversed.

**c. Dependent Claims 48-46 and 58-60 are patentable over VonKohorn in view of Saigh.**

Appellants submit that dependent claims 48-56 and 58-60 are allowable because they depend from allowable independent claims for the reasons set forth above, as well as for the further limitations they contain.

**1. claim 48.**

Claim 48 further recites the claim element of "...*a third server system connected to said communications channel, said third server system being adapted for communicating with said second server system and for authorizing the redemption of said electronic*

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*coupon.*" The passages relied upon by the Examiner in Von Kohorn (for claim 48) do not appear to disclose the element(s) of claim 48. For at least this reason, the rejection of claim 48 is improper and should be reversed.

2. claim 49.

Claim 49 further recites the claim element of "...*wherein said second server system is adapted to redeem said coupon as a function of a transaction initiated between said client system and said second server system.*" The passages relied upon by the Examiner in Von Kohorn (for claim 49) do not appear to disclose the element(s) of claim 49. For at least this reason, the rejection of claim 49 is improper and should be reversed.

3. claim 50.

Claim 50 further recites the claim element of "...*wherein said second server system is adapted to redeem said coupon by modifying a transaction initiated between said client system and said second server system.*" The passages relied upon by the Examiner in Von Kohorn (for claim 50) do not appear to disclose the element(s) of claim 50. For at least this reason, the rejection of claim 50 is improper and should be reversed.

4. claim 51.

Claim 51 further recites the claim element of "...*wherein said communications channel includes a network.*" The passages relied upon by the Examiner in Von Kohorn (for claim 51) do not appear to disclose the element(s) of claim 51. For at least this reason, the rejection of claim 51 is improper and should be reversed.

5. claim 52.

The Examiner has grouped the rejection of claim 52 with that of independent claims 47, 57, 61, 62, and 63. *See* Office Action, at pg. 7, ¶8. As such, Appellants submit that claim 52 is allowable because it depends from allowable independent claim 47 for the

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reasons set forth above. Claim 52 is further separately patentable as the passages relied upon by the Examiner in Von Kohorn do not appear to disclose the element(s) of claim 52.

**6. claim 53.**

The Examiner has grouped the rejection of claim 53 with that of independent claims 47, 57, 61, 62, and 63. *See* Office Action, at pg. 7, ¶8. As such, Appellants submit that claim 53 is allowable because it depends from allowable independent claim 47 for the reasons set forth above. Claim 53 is further separately patentable as the passages relied upon by the Examiner in Von Kohorn do not appear to disclose the element(s) of claim 53.

**7. claim 54.**

Claim 54 further recites the claim element of “*...wherein said electronic coupon is a token issued under the authority of an issuer for the benefit of said client.*” The passage relied upon by the Examiner in Von Kohorn (for claim 54) does not appear to disclose the element(s) of claim 54. For at least this reason, the rejection of claim 54 is improper and should be reversed.

**8. claim 55.**

Claim 55 further recites the claim element of “*...wherein said electronic coupon includes data representative of one or more of a serial or identification number, a validation key, an authentication key, an authorizing vendor, a redeeming vendor, a benefit or discount to be associated with a transaction, a level of access granted, and an issuing activity.*” The passage relied upon by the Examiner in Von Kohorn (for claim 55) does not appear to disclose the element(s) of claim 55. For at least this reason, the rejection of claim 55 is improper and should be reversed.

**9. claim 56.**

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Claim 56 further recites the claim element of “*...wherein said electronic coupon includes data representative of the identity of a location at which additional coupon information resides.*” The passage relied upon by the Examiner in Von Kohorn (for claim 56) does not appear to disclose the element(s) of claim 56. For at least this reason, the rejection of claim 56 is improper and should be reversed.

10. claim 58.

Claim 58 further recites the claim element of “*...wherein prior to step A, the server receives a request for information from the client.*” The figures and passages relied upon by the Examiner in Von Kohorn (for claim 58) do not appear to disclose the element(s) of claim 58. For at least this reason, the rejection of claim 58 is improper and should be reversed.

11. claim 59.

Claim 59 further recites the claim element of “*...authenticating said electronic coupon and authorizing a transaction between said client and subsequent server as a function of an authenticated electronic coupon.*” The passages relied upon by the Examiner in Von Kohorn (for claim 59) do not appear to disclose the element(s) of claim 59. For at least this reason, the rejection of claim 59 is improper and should be reversed.

12. claim 60.

Claim 60 further recites the claim element of “*...establishing a connection between said subsequent server and an authentication server; said authentication server authenticating said electronic coupon and authorizing the redemption of said electronic coupon.*” The passage relied upon by the Examiner in Von Kohorn (for claim 60) does not appear to disclose the element(s) of claim 60. For at least this reason, the rejection of claim 60 is improper and should be reversed.

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**C. An Interference should be declared between the above-identified application, and U.S. Patent No. 6,076,069 to Laor.**

For at least the reason that the claims are supported by the specification, patentable over the alleged prior art, and copy one or more issued claims from U.S. Patent No. 6,076,069 to Laor, an interference-in-fact exists. Accordingly, Appellants request that such an interference be declared between the above-identified application, and U.S. Patent No. 6,076,069 to Laor.

To the extent that the Examiner continues to allege unpatentability of the pending claims under 35 U.S.C. §§102-103, Appellants note that the U.S. Patent Office, for consistency, should institute a reexamination of U.S. Patent No. 6,076,069 to Laor.

**VIII. CLAIMS APPENDIX - 37 C.F.R. §41.37(c)(1)(viii)**

The pending claims (claims 47-63) are attached in the Appendix.

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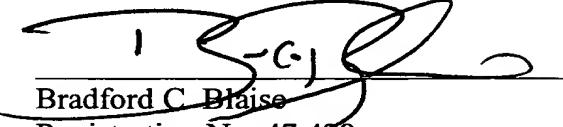
**CONCLUSION**

For at least the foregoing reasons, Appellants respectfully request that the rejections of each of pending claims 47-63 be reversed.

Date: February 10, 2005

By:

Respectfully submitted,

  
\_\_\_\_\_  
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CLAIMS APPENDIX

Claims 1-46. *cancelled*

47. (*Previously Presented*) A system for distributing and redeeming electronic coupons comprising:

    a first server system including a computer processor and associated memory, said first server system being connected by a communications channel to a client system, said first server system being adapted for transmitting an electronic coupon to said client system over said communications channel;

    said client system including a computer processor and associated memory, said client system being adapted for storing said electronic coupon in said memory;

    a second server system connected to said communications channel, said second server system being adapted to establish a connection with said client system and for detecting said electronic coupon stored on said client system, said second server system further being adapted to redeem said electronic coupon.

48. (*Previously Presented*) A system according to claim 47 further comprising:

    a third server system connected to said communications channel, said third server system being adapted for communicating with said second server system and for authorizing the redemption of said electronic coupon.

49. **(Previously Presented)** A system according to claim 47 wherein said second server system is adapted to redeem said coupon as a function of a transaction initiated between said client system and said second server system.

50. **(Previously Presented)** A system according to claim 47 wherein said second server system is adapted to redeem said coupon by modifying a transaction initiated between said client system and said second server system.

51. **(Previously Presented)** A system according to claim 47 wherein said communications channel includes a network.

52. **(Previously Presented)** A system according to claim 47 wherein said communications channel includes a TCP/IP based network and said coupon includes a data component.

53. **(Previously Presented)** A system according to claim 47 wherein said first server system and said second server system are the same server system.

54. **(Previously Presented)** The system according to claim 47 wherein said electronic coupon is a token issued under the authority of an issuer for the benefit of said client.

55. **(Previously Presented)** The system according to claim 47 wherein said electronic coupon includes data representative of one or more of a serial or identification number, a validation key, an authentication key, an authorizing vendor, a redeeming vendor, a benefit or discount to be associated with a transaction, a level of access granted, and an issuing activity.

56. **(Previously Presented)** The system according to claim 47 wherein said electronic coupon includes data representative of the identity of a location at which additional coupon information resides.

57. **(Previously Presented)** A method of distributing and redeeming an electronic coupon comprising the steps of:

- A) establishing a connection over a communications channel between a client and a server;
- B) transferring said electronic coupon from said server to said client;
- C) establishing a connection over a communications channel between said client and a subsequent server, said subsequent server including one of said server and other servers;
- D) said client requesting information from said subsequent server;
- E) said subsequent server detecting said electronic coupon on said client;
- F) said subsequent server redeeming said electronic coupon as a function of a transaction initiated between said client and said subsequent server.

58. **(Previously Presented)** A method of distributing and redeeming an electronic coupon according to claim 57 wherein prior to step A, the server receives a request for information from the client.

59. **(Previously Presented)** A method of distributing and redeeming an electronic coupon according to claim 57 further comprising the step of:

authenticating said electronic coupon and authorizing a transaction between said client and subsequent server as a function of an authenticated electronic coupon.

60. **(Previously Presented)** A method of distributing and redeeming an electronic coupon according to claim 57 further comprising the steps of:

establishing a connection between said subsequent server and an authentication server;

said authentication server authenticating said electronic coupon and authorizing the redemption of said electronic coupon.

61. **(Previously Presented)** A system for distributing and redeeming electronic coupons comprising:

a first server system including a computer processor and associated memory, said first server system being connected by a communications channel to a remote client system, said first server system being adapted for transmitting an electronic coupon to said remote client system over said communications channel;

said remote client system including a computer processor and associated memory, said remote client system being adapted for storing said electronic coupon in said memory;

a second server system connected to said communications channel, said second server system being adapted to establish a connection with said remote client system and for detecting said electronic coupon stored on said remote client system, said second server system further being adapted to redeem said electronic coupon.

62. **(Previously Presented)** A method of distributing and redeeming an electronic coupon comprising the steps of:

- A) establishing a connection over a communications channel between a remote client system and a server;
- B) transferring said electronic coupon from said server to said remote client system;
- C) establishing a connection over a communications channel between said remote client system and a subsequent server, said subsequent server including one of said server and other servers;
- D) said remote client system requesting information from said subsequent server;
- E) said subsequent server detecting said electronic coupon on said remote client system;
- F) said subsequent server redeeming said electronic coupon as a function of a transaction initiated between said remote client system and said subsequent server.

63. **(Previously Presented)** A system for distributing and redeeming electronic coupons over the Internet, comprising:

    a first server system connected to a remote personal computer over the Internet, the first server system adapted for transmitting an electronic coupon to the remote personal computer over the Internet;

    the remote personal computer including a computer processor and associated memory, the remote personal computer adapted for storing the electronic coupon in the memory;

    a second server system, separate from the first server system, adapted to establish a connection with the remote personal computer over the Internet, and for detecting the electronic coupon stored on the remote personal computer, the second server system further being adapted to redeem the electronic coupon.



# EXHIBIT A



IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND  
SOUTHERN DIVISION

BLACK DIAMOND CCT HOLDINGS, \*  
LLC, *et al.*, \*  
Plaintiffs, \*

v. \*

CIVIL ACTION NO. RDB-02-3701

COUPONS, INC., \*  
Defendant. \*

\* \* \* \* \*

MEMORANDUM AND ORDER  
RE: PATENT CLAIM CONSTRUCTION

In this case, Plaintiffs Black Diamond CCT Holdings, LLC and E-Centives, Inc. (collectively, "Plaintiffs") sue Defendant Coupons, Inc. ("Coupons") for infringement of the claims of United States Patent Nos. 6,336,099 (the "'099 Patent") and 6,321,208 (the "'208 Patent") (collectively, the "Patents").<sup>1</sup> Pursuant to the Scheduling Order, the parties have filed materials relating to what they have specified as material claim construction issues. The Court held a claim construction hearing on Monday, November 10, 2003 for purposes of reviewing the intrinsic evidence of record.

I. GENERAL PRINCIPLES OF CLAIM CONSTRUCTION

The construction of patent claims is a matter for the court. Markman v. Westview Instruments, Inc., 517 U.S. 370, 390 (1996). When constructing a term in a patent claim, "the focus is on the objective test of what one of ordinary skill in the art at the time of the invention would have understood

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<sup>1</sup>The '099 Patent is a continuation of the '208 Patent. The specifications of both Patents are nearly identical. The '208 Patent is directed toward a method of electronic coupon distribution, while the '099 Patent is directed toward a system of electronic coupon distribution.

the term to mean.” Markman v. Westview Instruments, Inc., 52 F.3d 967, 986 (Fed. Cir. 1995) (en banc), aff’d, 517 U.S. 370 (1996).

The Court must first look at the basic evidence of record, namely, the language of the claim, the specification, and the prosecution history. Insituform Tech., Inc. v. Cat Contracting, Inc., 99 F.3d 1098, 1105 (Fed. Cir. 1996), cert. denied, 520 U.S. 1198 (1997). The claim language itself defines the scope of the claim. Therefore, “a construing court does not accord the specification, prosecution history, and other relevant evidence the same weight as the claims themselves, but consults these sources to give the necessary context to the claim language.” Eastman Kodak Co. v. Goodyear Tire & Rubber Co., 114 F.3d 1547, 1552 (Fed. Cir. 1997).

The Court of Appeals for the Federal Circuit has held that claims should be read in view of the specification. See, e.g., id. at 1582. However, the Federal Circuit cautions against limiting the scope of a claim to the preferred embodiment or to specific examples disclosed in the specification. See, e.g., Ekchian v. Home Depot, Inc., 104 F.3d 1299, 1303 (Fed. Cir. 1997); see also Intervet Am., Inc. v. Kee-Vet Lab., Inc., 887 F.2d 1050, 1053 (Fed. Cir. 1989) (“[L]imitations appearing in the specification will not be read into claims, and . . . interpreting what is meant by a word in a claim ‘is not to be confused with adding an extraneous limitation appearing in the specification, which is improper.’”) (citation omitted).

## II. DISCUSSION

### A. The Patents and Claims at Issue

In broad terms, the Patents describe an Internet-based, print-at-home, secure couponing service, which generates customized and targeted discount coupons and other marketing incentives in

response to information provided by individual users or groups of users, and which enables the detection and prevention of fraud. Plaintiffs assert infringement of Claims 1-7 of the '208 Patent and Claims 1-8, 10-22, 24-35, and 37-40 of the '099 Patent. The parties seek the Court's construction of the terms that are highlighted below:

1. The '208 Patent:

Independent Claim 1 of the '208 Patent contains the following disputed terms:

An online method for a user to view and print at a remote terminal user-specific coupons based on a user profile, the method comprising the steps of:

- (a) storing in a storage device at a central location electronic coupon information pertaining to a group of coupons available;
- (b) receiving a request from a user for access to stored coupon information;
- (c) determining if the user is a registered user, and if the user is not registered:
  - (i) transmitting a prompt to the remote terminal to electronically complete a user profile and transmit the user profile to the central location;
  - (ii) receiving and storing a user profile at the central location; and
  - (iii) downloading to the remote terminal a coupon data management software module for managing the printing of coupons, including unique user identification information;
- if the user is registered, accessing the stored user profile;
- (d) viewing, by a remote terminal, selected ones of the stored coupons, the selected coupons being based on user-specific information, which comprises user profile information and/or user usage history information;
- (e) receiving at the central location a request to transmit to the remote terminal at least one coupon data file, the coupon data file corresponding to a user selected coupon, the coupon data file comprising various fields, including a redemption amount field and other fields, the redemption amount field being indicative of a discount provided by the

coupon, the redemption amount field and at least one other field being variable in accordance with user-specific information associated with the requesting user; and

(f) transmitting to the remote terminal the at least one coupon data file to enable the user to print a coupon using the coupon data management software module.

‘208 Patent, col. 14, ll. 8-47. The disputed terms in the dependent claims of the ‘208 Patent also appear in independent Claim 1 and therefore will be interpreted to have the same meanings as they have in the independent claim.

## 2. The ‘099 Patent:

The ‘099 Patent contains two independent claims, Claims 1 and 21, which are substantially identical except for the final paragraph. Claim 1 states:

A central, computer-based system for providing remote users with access via remote terminals to user-specific incentives based at least in part on user-specific information over an online network, the central system comprising:

a central data repository having memory in which is stored incentive offer data and remote user data;

at least one server operatively associated with the central data repository for accessing and storing incentive offer and remote user data;

at least one communication device in operative association with the server, whereby the central system establishes an electrical communication with a remote terminal operated by a remote user, whereby the central system obtains remote user data, including user-specific information; and

a graphical user interface in association with the server and the remote terminal for presenting to the remote user at the remote terminal one or more retailers and one or more incentive offers associated with the user selected retailer, the remote terminal communicating the user selection to the central system, the central system generating a user-specific incentive associated with each selected offer for redemption by the remote user.

‘099 Patent, col. 14, ll. 14-40; see also ‘208 Patent, col. 15, l. 54 - col. 16, l. 2. The final paragraph of Claim 21 differs in its language and provides:

a graphical user interface in association with the server and the remote terminal for presenting to the remote user at the remote terminal one or more categories of goods or services and one or more incentive offers associated with the goods or services for user selection, the presentation being based at least in part on the user-specific information, whereby the user selects a good or service and one or more incentive offers associated with the user selected good or service, the remote terminal communicating the user selection to the central system generating a user-specific incentive concerning each user selected offer for redemption by the remote user.

‘099 Patent, col. 16, ll. 3-14. Certain of the disputed terms in the dependent claims of the ‘099 Patent also appear in independent Claims 1 and 21 and will be interpreted to have the same meanings as they have in the independent claim. The terms “other fields” and “various fields” in dependent Claims 2 and 28 are disputed and do not appear in the independent claims. Claim 2 states:

The system of Claim 1, wherein the user-specific incentive generated by the central system is transmitted to the remote terminal and includes at least one incentive data file, the incentive data file corresponding to the user selected offer, the incentive data file comprising various fields, including a redemption amount field, and other fields, the redemption amount field being indicative of a discount provided by the selected offer, at least one field being variable in accordance with user-specific information associated with the requesting user.

Id., col. 14, ll. 41-50. Claim 28 is substantially the same as Claim 2, except it depends on Claim 21 instead of Claim 1. See id., col. 16, ll. 30-38. Accordingly, the terms will be construed as having the same meaning in both dependent claims.

Finally, Claims 5 and 31 are disputed in their entirety. Claim 5 states: “The system of Claim 1, wherein the user-specific information includes a zip code, city, state, user address, user name, or user telephone number.” Id., col. 14, ll. 65-67. Claim 31 is substantially the same as

Claim 5, except it depends on Claim 21 instead of Claim 1. See id., col. 16, ll. 51-53. These terms will be construed as having the same meaning in both dependent claims.

B. Construction of the Claim Language

1. User

“Although words in a claim are generally given their ordinary and customary meaning, a patentee may choose to be his own lexicographer and use terms in a manner other than their ordinary meaning, as long as the special definition of the term is clearly stated in the patent specification or file history.” Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1582 (Fed. Cir. 1996) (citing Hoechst Celanese Corp. v. BP Chems. Ltd., 78 F.3d 1575, 1578 (Fed. Cir. 1996)). Plaintiffs define the term “user” by reference to the ‘208 Patent specification as “an individual or household of users.” See ‘208 Patent, col. 6, ll. 50-51 (“[a]s used herein, the term ‘user’ denotes an individual user or a household of users linked through one account.”). Ordinarily, the specification is dispositive as to the meaning of a disputed term when it expressly defines terms used in the claims. Vitronics Corp., 90 F.3d at 1582. However, in this case, the specification contains alternate definitions for the term “user,” one of which is not supported or enabled by the specification. For instance, the specification contains no provision for the establishment of an “account” for purposes of utilizing the electronic coupon distribution service. The specification also does not define what combination of individuals may constitute a “household” for purposes of utilizing the system and does not identify how members of a “household” may be linked through a single account.

Coupons asserts that the specification and prosecution history teach that the system works only if the “user” is an individual. It cites portions of the specification that discuss the printing of a user-

specific bar code on each coupon to prevent duplication and multiple redemption. See '208 Patent, col. 5, ll. 49-62. "The user bar code is encoded with user-specific information such as the name and/or other unique identification criteria such as a social security number or online service address. This information renders each printed coupon 18 unique, since an otherwise similar coupon presented by a different consumer will comprise a different user bar code 90." Id., col. 7, ll. 21-34.

Coupons also cites portions of the June 12, 1997 Amendment for the proposition that the '208 Patent distinguishes itself from the DeLapa Patent, which encodes each coupon with a machine-readable code that identifies the household of the consumer. 6/12/97 Amdt. at 15-16. However, DeLapa is distinguishable from the present invention not because of the information encoded on each coupon, but rather because of the method by which unique coupons are assembled. Whereas the coupons referenced in DeLapa are printed at a central site and then sent to the user in hard copy, the coupons generated by the instant invention are printed from the user's own computer using data stored on that computer and data obtained from the coupon repository. Therefore, Coupons' reliance on the June 12, 1997 Amendment seems misplaced.

In the April 30, 1998 Amendment, however, the patentee notes that each coupon is personalized with user-specific data pertinent only to an individual and not multiple individuals, such as the user's name or social security number. 4/30/98 Amdt. at 10-11. The purpose of including such information is to facilitate detection of duplicative redemptions and to allow manufacturers to track and analyze who has requested coupons and who has actually used them. Id.

The specification notes that the coupon distribution center utilizes the user-specific redemption data along with user-specific demographic data supplied by the online service provider in order to

compile subsequent coupon data download packages for use by consumers. '208 Patent, col. 7, ll. 51-55. By way of example, the specification states that "it may be determined by the analysis means that users with dogs in their household (which is known by the demographic responses) will get a certain package comprising dog food coupons." Id., col. 12, ll. 41-44. A user's selection, printing, and redemption of certain coupons will trigger a further customized response from the system. See id. Because the demographic information provided by each user is broad enough to encompass the preferences of members of the user's household (thus facilitating targeted marketing of households), it would be inconsistent to define the term "user" as multiple members of the same household. Plaintiffs' definition of the term to include members of a household linked through one account is rejected as overbroad and unsupported by the specification or patent history. See Genentech, Inc. v. Wellcome Foundation Ltd., 29 F.3d 1555, 1564 (Fed. Cir. 1994). Accordingly, the term "user" shall be construed to mean an individual who utilizes the electronic coupon distribution service to request and obtain coupons or incentives.

## 2. Remote User

The term "remote user" appears in independent Claims 1 and 21 and several dependent claims of the '099 Patent and is not defined in the specification. Therefore, the Court will construe the term in accordance with its plain and ordinary meaning. Quantum Corp. v. Rodime, PLC, 65 F.3d 1577, 1580 (Fed. Cir. 1995) ("[T]he words of a claim will be given their ordinary meaning to one of skill in the art unless the inventor appeared to use them differently."). Claim 1 of the '099 Patent supports such a construction. See '099 Patent, col. 14, ll. 15-16 and 25-26 ("a central, computer based system for providing remote users with access via remote terminals"). The specification's definition of a remote

user computer or remote terminal provides further support. See '099 Patent, col. 4, ll. 50-54 ("The remote user computer in the present invention comprises interface means for providing user interaction with the centrally located repository, a memory, and a coupon data management program."). Accordingly, the term "remote user" shall be construed as a user who accesses the system using a remote terminal or a remote user computer.

### 3. Remote User Data

“Remote user data” appears in Claims 1 and 21 of the ‘099 Patent and dependent Claim 19 and is not defined in the specification. Plaintiffs’ definition of the term as “data pertaining to a remote user” is overbroad. See SRI Int’l v. Matsushita Elec. Corp., 775 F.2d 1107, 1121 (Fed. Cir. 1985) (en banc) (claim language defines claim scope). The claims expressly limit the definition to data that is obtained by and stored at the central repository and which includes user-specific information (as defined below) and “prior selection and redemption data associated with the remote user.”

### 4. Registered User

The term “registered user,” as used in Claim 1(c) of the ‘208 Patent, must be construed in accordance with its plain and ordinary meaning to a person skilled in the art. Plaintiffs’ proposed construction is supported by reference to the American Heritage College Dictionary (3d ed. 1993), which defines “register” as “[t]o enroll officially or formally . . .” or “to place one’s name in a register.” In addition, the specification describes the process of initial registration for the electronic coupon distribution service as follows:

An online display screen 60 is shown in FIG. 4a, which is provided to a user on a display 24 of his remote computer 6 whenever he is in online communication with the service provider 2. The online display screen 60 comprises a join service function button 62, a download coupons function button 64, a help function button 66, and an online communications button 68. When the user desires to initially register for the electronic coupon distribution service, he selects the join service function button 62 which initiates a dialog with the online service provider 2 in order to request certain demographic data from the user which will be used to target specific coupon data packages for subsequent downloading. The user has the option of providing the requested information if he so desires. In addition, an offline coupon management program is transmitted electronically to the user’s computer 6 for subsequent coupon data requesting, downloading and processing.

‘208 Patent, col. 7, l. 56-col. 8, l. 5. Therefore, the Court construes the term “registered user” to mean a user who has become eligible to utilize the electronic coupon distribution service by joining the service and thus registering with the system.

#### 5. User Profile

The term “user profile” appears in Claim 1(c)(i) of the ‘208 Patent. If the user is not a registered user, the system will “transmit[] a prompt to the remote terminal to electronically complete a user profile and transmit the user profile to the central location.” ‘208 Patent, col. 14, ll. 19-20. Claim 1(c)(ii) states that the user profile will be received and stored at the central location. Id., col. 14, ll. 22-23. The term subsequently appears in dependent Claim 6: “The method of claim 1 wherein the user profile comprises demographic data associated with the user.” Id., col. 14, ll. 56-57.

The term does not appear in the specification. The specification contains numerous references to a demographic data file, which contains demographic data obtained from the user at the time of initial registration, data representative of responses to demographic inquiries presented to the user at the time the user requests a download of coupon data, and a record indicative of each coupon selected by the user and printed by the user. See ‘208 Patent, col. 5, ll. 6-12; col. 6, ll. 58-62; col. 7, ll. 62-col. 8, l. 1; col. 8, ll. 34-38; col. 9, ll. 46-53; col. 10, ll. 51-57. However, it is unclear from the specification how much of the information contained in the demographic data file comprises the user profile.

Accordingly, in the absence of guidance from the specification, the Court construes the term “user profile” in a manner consistent with the claims to mean a summary of demographic data provided by the user in response to requests during the initial registration process.

6. User Profile Information

Claim 1(d) of the '208 Patent identifies "user profile information" as a subset of "user-specific information." '208 Patent, col. 14, ll. 30-34 ("the selected coupons being based on user-specific information, which comprises user profile information and/or user usage history information."). The specification is silent as to the definition of the term. The Court construes the term to mean information in the user profile.

7. Unique User Identification Information

The term "unique user identification information" appears in Claim 1(c)(iii) of the '208 Patent in the following context: "downloading to the remote terminal a coupon data management software module for managing the printing of coupons, including unique user identification information . . ." '208 Patent, col. 14, ll. 24-27. The specification notes that coupons are printed by the coupon data generation routine, which relies on fixed coupon data transmitted to the user's computer during the registration process and variable coupon data that is transmitted to the user's computer whenever he requests coupon data from the central repository. Id., col. 5, ll. 6-13. In the preferred embodiment, the fixed data includes a user identification bar code number, which is a unique number assigned to the user, for example his social security number or online identification number. Id., col. 11, ll. 2-4. The number is encoded by the printable coupon data generation routine and is printed as a bar code on each coupon printed for the particular user. Id., col. 11, ll. 4-7. One purpose of the user identification bar code is to render printed coupons unique as between users, and thus to prevent duplication and multiple redemption of the same coupon. Reading the disputed term in the context of the specification,

the Court construes the term “unique user identification information” to mean information that is stored on the user’s remote terminal that uniquely identifies the user.

8. User Usage History Information

The term “user usage history” appears in Claim 1(d) of the ‘208 Patent and, like the term “user profile information,” is described as a subset of “user-specific information.” See ‘208 Patent, col. 14, ll. 30-34. The specification makes clear that the coupon distributor collects information regarding the coupon data selected by the user, the coupon data printed by the user, and demographic information relating to the user. Id., col. 12, ll. 28-33. The coupon distributor also collects and stores information from the coupon redemption center about the coupons actually redeemed. Id., col. 12, ll. 33-35. That information is analyzed, and, based on marketing and targeting criteria and objectives, different coupon packages are generated and transmitted to the online service provider. Id., col. 12, ll. 53-55. Accordingly, the Court construes “user usage history” to mean data relating to a user’s selection, printing and redemption of coupons over time.

9. User-specific Information

The term “user-specific information” appears primarily in Claims 1(d) and 1(e) of the ‘208 Patent and in Claims 1 and 21 of the ‘099 Patent. According to Claim 1(d) of the ‘208 Patent, user-specific information may include user profile information and user usage history information. Claim 1 of the ‘099 Patent describes user-specific information as a subset of remote user data that is transmitted to the central system. The specification indicates that user-specific information, which may include the user’s name, social security number, or online service address, is encoded in each coupon “in the form

of a unique user bar code 90" and "renders each printed coupon unique." See '099 Patent, col. 7, ll 26-32. The Court adopts Plaintiffs' proposed definition of the term, "information specific to a user."

10. Central Data Repository

Defendant accepts Plaintiffs' proposed construction of the term "central data repository" in Claims 1 and 21 of the '099 Patent as any centrally located computer system that stores electronic coupon information (including incentive offer data and product redemption coupon data) and remote user data, said computer system comprising one or more computers or Internet sites. The proposed construction is supported by the claims and specifications. See '099 Patent, col. 14, ll. 19-20; col. 4, ll. 41-54; col. 6, ll. 47-49, 52-65; Fig. 1.

11. Central Location

Defendant also accepts Plaintiffs' proposed construction of the term "central location" in Claim 1(a) of the '208 Patent as "a location where electronic coupon data and/or user information is stored." That construction is supported by the claims and specifications. See '208 Patent, col. 14, ll. 11-13, 19-23; col. 4, ll. 40-48.

12. At Least One Server Operatively Associated with the Central Data Repository

This phrase appears in Claim 1 of the '099 Patent in the following context: "at least one server operatively associated with the central data repository for accessing and storing incentive offer and remote user data." '099 Patent, col. 14, ll. 21-23. The specification does not describe the use of a server in this context. Rather, the specification describes only an "online communication server," which operates as a "bulletin board file where users can post messages to a coupon distributor or issuer regarding any issue of interest." See id., col. 8, ll. 39-48; Fig. 6.

Plainly, the definition of server should not be restricted to this definition, because an electronic bulletin board that facilitates communication with a coupon distributor or issuer does not perform the claimed functions of accessing and storing incentive offer and remote user data. The Court therefore must construe the term in accordance with its plain and ordinary meaning to one skilled in the art. Newton's Telecom Dictionary 920 (8th ed. 1994) defines "server" as "a shared computer on the local area network that may be . . . used as a repository and distributor . . . of data." "Operatively associated with the central data repository" shall be construed to mean that the server operates in conjunction with the central data repository.

### 13. Coupon Data Management Software Module

The term "coupon data management software module" appears in Claims 1(c)(iii) and 1(f) of the '208 Patent as a computer program that is downloaded from the central location to the remote terminal and performs the function of "managing the printing of coupons, including unique user identification information." See '208 Patent, col. 14, ll. 23-26, 43-45. The specification describes other functions performed by the coupon data management software module:

The coupon data management program is implemented by the [remote user] computer for requesting coupon data from the centrally located repository, for storing in the memory coupon data transmitted from the centrally located repository, and for generating printable coupon data from the stored coupon data. The remote user computer also comprises a coupon output buffer operatively associated with the data management program for storing the printable coupon data generated by said coupon data management program.

'208 Patent, col. 4, ll. 48-60.

Additionally, the coupon data management program of the present invention operates in conjunction with the remote computer to allow the

user to select and store certain desired coupon data from the coupon data transmitted by the centrally located repository and print coupons as selected. The coupon data management program also allows the user to generate a shopping list which is correlated to the coupons printed for subsequent redemption.

Id., col. 5, ll. 14-21. Viewing the term in light of the specification, the Court construes “coupon data management software module” to mean a software program downloaded to the remote terminal that performs coupon data management functions, including the printing of coupons.

#### 14. Communication Device

The term “communication device” in Claim 1 of the ‘099 Patent appears in the following context: “at least one communication device in operative association with the server, whereby the central system establishes an electrical communication with a remote terminal operated by a remote user, whereby the central system obtains remote user data, including user-specific information . . .” The Court construes the term in accordance with its plain meaning to mean a component that facilitates the transmission of information or data between the central system and the remote terminal. See McGraw-Hill Dictionary of Scientific and Technical Terms 416, 553 (5th ed. 1994) (defining “communication” as “transmission of intelligence between two or more points over wires or by radio” and “device” as a computer or computer component).

#### 15. Graphical User Interface

The term “graphical user interface” appears in Claims 1 and 21 of the ‘099 Patent in the following context:

a graphical user interface in association with the server and the remote terminal for presenting to the remote user at the remote terminal one or more retailers and one or more incentive offers associated with the

retailers for user selection, the presentation being based at least in part on the user-specific information, whereby the user selects a retailer and one or more incentive offers associated with the user selected retailer, the remote terminal communicating the user selection to the central system, the central system generating a user-specific incentive associated with each selected offer for redemption by the remote user.

‘099 Patent, col. 14, ll. 30-41. Defendant argues that the functional language in the claims is unsupported and not enabled by the specification and, therefore, the claims are invalid. The Court here is concerned only with the construction of the disputed claim terms and does not resolve the question of whether the claims are invalid. In the absence of language in the specification interpreting the term “graphical user interface,” the Court gives the term its ordinary meaning. The term shall be construed in accordance with Plaintiffs’ proposed definition as a “visual computer interface that enables a user to issue commands using a pointing device.” See Newton’s Telecom Dictionary 488-89 (8th ed. 1994) (defining graphical user interface as a device which “lets users get into and out of programs and manipulate the commands in those programs by using a pointing device (often a mouse)).

16. User Specific Coupons

Defendant accepts Plaintiffs’ proposed construction of the term “user specific coupons” in Claim 1 of the ‘208 Patent as “coupons specific to a user.” That construction is supported by the specification. See ‘208 Patent, col. 5, ll. 46-62; col. 7, l. 62-col. 8, l. 1.

17. Electronic Coupon Information

Defendant accepts Plaintiffs’ proposed construction of the term “electronic coupon information” in Claim 1(a) of the ‘208 Patent as “electronic information relating to coupons.” That construction is supported by the claim and specification. See ‘208 Patent, col. 14, ll. 11-13 (“storing in a storage

device at a central location electronic coupon information pertaining to a group of coupons available"); col. 6, ll. 52-57; Figs. 6 and 10.

18. User Specific Incentives

Defendant accepts Plaintiffs' proposed construction of the term "user-specific incentives" in Claims 1 and 21 of the '099 Patent as "incentives specific to a user." That construction is supported by the specification and the construction of the term "user specific coupons" in the '208 Patent. See, e.g., '099 Patent, col. 6, ll. 58-65; col. 7, ll. 51-55.

19. Various Fields; Other Fields; At Least One Other Field Being Variable in Accordance with User-Specific Information

The terms "various fields" and "other fields" appear in the following context in Claim 1(e) of the '208 Patent: "the coupon data file comprising various fields, including a redemption amount field and other fields, the redemption amount field being indicative of a discount provided by the coupon, the redemption amount field and at least one other field being variable in accordance with user-specific information associated with the requesting user . . ." The terms also appear in Claims 2 and 28 of the '099 Patent with reference to an incentive data file.

The variable coupon data fields are depicted in Fig. 3 and include the expiration date, redemption amount, company and product data, UPC code, redemption address, and offer description. See also '208 Patent, col. 11, ll. 24-32. In addition, Fig. 3 depicts various fixed coupon data fields, including the border graphics, redemption instructions, and user identification bar code. The user's computer assembles coupons for printing by using the fixed coupon data and user-specific information, which are stored on the user's computer, and variable coupon data, which is transmitted to the user's

computer when he requests coupon data from the central repository. '208 Patent, col. 5, ll. 6-13; see also col. 10, ll. 58-64. The user-specific information encoded on each coupon in the form of a user identification bar code number is variable as between different users.

Referring to FIG. 3, the data format of the fixed coupon parameters and user-specific data are set forth and include predefined border graphics which are the same for every coupon printed, redemption instructions, and a user identification bar code number. The user identification bar code number is a unique number assigned to that user, e.g. his social security number or online identification number. This number will be encoded by the printable coupon data generation routine 32d and printed as a bar code 90 on each coupon 18 printed for the particular user. This information will thus be obtained by the coupon redemption center and provided to the coupon distributor 16 for demographic analysis and the like.

'208 Patent, col. 10, l. 65-col. 11, l. 10. The nature of the offer presented to the user may vary in accordance with demographic information provided by the user:

The amount of the redemption discount included with a coupon downloaded to a user may be varied depending on certain demographic information that the system has about the user. For instance, the system may provide a certain value for known users of a brand (which information it will obtain by demographic inquiry or through previous redemptions in the system), and it may provide [sic] a higher discount in order to provide an incentive to users of a competitive brand. The ability to vary the value of a discount offer in accordance with such demographic and usage data is a unique advantage offered by the system of the present invention and heretofore unavailable in the prior art.

Id., col. 13, ll. 24-35. As Defendant correctly notes, the prosecution history distinguishes the present invention from the prior art: "Notably, the coupon data file comprises a redemption amount field with redemption amount data that is variable prior to transmission in accordance with a profile associated with the user such that users with different profiles may be provided with coupon data files having

different redemption amounts for the same product.” 4/30/98 Amdt. at 17 (adding limitation to pending claim 47).

In light of the prosecution history and the specification, the Court will construe “various fields” to mean fields of data in the coupon data file. “Other fields” shall mean those fields in the coupon data file other than the redemption amount field. “At least one other field being variable in accordance with user-specific information associated with the requesting user” means that at least one field in the coupon data file other than the redemption amount field will change based on a user’s demographic information and/or prior coupon usage information known to the system.

20. Viewing . . . Selected Ones of the Stored Coupons

Claim 1(d) of the ‘208 Patent recites the disputed phrase “viewing, by a remote terminal, selected ones of the stored coupons, the selected coupons being based on user-specific information, which comprises user profile information and/or user usage history information.” In the preferred embodiment, electronic coupon data is stored in a centrally located repository, and requested coupon data packages are downloaded to a user’s remote computer. ‘208 Patent, col. 6, ll. 30-34; col. 8, ll. 29-33. A user subsequently may view the coupons and advertisements previously downloaded by selecting the view function button 52. Id., col. 9, ll. 54-55. That selection will “call the view coupons routine 32b, which will access the downloaded coupon data file 30a and present it to the user via the display 24.” Id., col. 9, ll. 56-58. Accordingly, the Court will construe the phrase to mean viewing, by a remote terminal, those coupons which are downloaded to the remote terminal.

21. Claims 5 and 31 of the ‘099 Patent

Dependent Claim 5 of the '099 Patent claims "[t]he system of claim 1, wherein the user-specific information includes a zip code, city, state, user address, user name, or user telephone number." Dependent Claim 31 derives from Claim 21 and claims the same additional elements. The claim terms are self-explanatory and must be accorded their ordinary meaning. The Court does not reach Defendant's argument that the claim is overbroad and not enabled or supported by the specification or prosecution history.

### III. CONCLUSION

For the foregoing reasons, the Court concludes the following with regard to the construction of the claim terms at issue:

1. The term "user," as used throughout the Patents, is construed to mean an individual who utilizes the electronic coupon distribution service or system to request and obtain coupons or incentives.
2. The term "remote user" in Claims 1 and 21 of the '099 Patent is construed to mean a user who accesses the system using a remote terminal or a remote user computer.
3. The term "remote user data" in Claims 1 and 21 of the '099 Patent is construed to mean prior selection and redemption data associated with the remote user.
4. The term "registered user" in Claim 1(c) of the '208 Patent is construed to mean a user who has become eligible to utilize the electronic coupon distribution service by joining the service and thus registering with the system.
5. The term "user profile" in Claim 1(c)(i) of the '208 Patent is construed to mean a summary of demographic data provided by the user in response to requests during the initial registration process.
6. The term "user profile information" in Claim 1(d) of the '208 Patent is construed to mean information in the user profile.
7. The term "unique user identification information" in Claim 1(c)(iii) of the '208 Patent is construed to mean information that is stored on a user's remote terminal that uniquely identifies the user.
8. The term "user usage history information" in Claim 1(d) of the '208 Patent is construed to mean data relating to a user's selection, printing and redemption of coupons over time.
9. The term "user-specific information" in Claims 1(d) and 1(e) of the '208 Patent and in Claims 1 and 21 of the '099 Patent is construed to mean information specific to a user.

10. The term "central data repository" in Claims 1 and 21 of the '099 Patent is construed to mean any centrally located computer system that stores electronic coupon information (including incentive offer data and product redemption coupon data) and remote user data, said computer system comprising one or more computers or Internet sites.
11. The term "central location" in Claim 1(a) of the '208 Patent is construed to mean a location where electronic coupon data and/or user information is stored.
12. The phrase "at least one server operatively associated with the central data repository" in Claim 1 of the '099 Patent is construed to mean at least one server that operates in conjunction with the central data repository.
13. The term "coupon data management software module" in Claims 1(c)(iii) and 1(f) of the '208 Patent is construed to mean a software program downloaded to the remote terminal that performs coupon data management functions, including the printing of coupons.
14. The term "communication device" in Claim 1 of the '099 Patent is construed to mean a component that facilitates the transmission of information or data between the central system and the remote terminal.
15. The term "graphical user interface" in Claims 1 and 21 of the '099 Patent is construed to mean a visual computer interface that enables a user to issue commands using a pointing device.
16. The term "user specific coupons" in Claim 1 of the '208 Patent is construed to mean coupons specific to a user.
17. The term "electronic coupon information" in Claim 1(a) of the '208 Patent is construed to mean electronic information relating to coupons.
18. The term "user specific incentives" in Claims 1 and 21 of the '099 Patent is construed to mean incentives specific to a user.
19. The term "various fields" as used in Claim 1(e) of the '208 Patent and Claims 2 and 28 of the '099 Patent is construed to mean fields of data in the coupon data file. The term "other fields" as used in those claims shall mean those fields in the coupon data file other than the redemption amount field.

20. The phrase "at least one other field being variable in accordance with user-specific information associated with the requesting user" in Claim 1(e) of the '208 Patent and Claims 2 and 28 of the '099 Patent is construed to mean that at least one field in the coupon data file other than the redemption amount field will change based on the user's demographic information and/or prior coupon usage information known to the system.
21. The phrase "viewing, by a remote terminal, selected ones of the stored coupons" in Claim 1(d) of the '208 Patent is construed to mean viewing, by a remote terminal, those coupons which are downloaded to the remote terminal.
22. The phrase "zip code, city, state, user address, user name, or user telephone" in Claims 5 and 31 of the '099 Patent are construed in accordance with their ordinary meaning.

**IT IS SO ORDERED** this 16th day of December 2003.

/s/

Richard D. Bennett  
United States District Judge